

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF KENTUCKY)	CASE NO. 2011-00484
UTILITIES COMPANY FROM MAY 1,)	
2011 THROUGH OCTOBER 31, 2011)	

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 26, 2012, established this case to review and evaluate the operation of the Fuel Adjustment Clause ("FAC") of Kentucky Utilities Company ("KU") for the six-month period that ended on October 31, 2011. As part of this review, KU submitted certain information, pursuant to Commission Order, concerning its compliance with 807 KAR 5:056. The Commission held a public hearing in this matter on March 9, 2012.

The Commission has previously established KU's base fuel cost as 26.68 mills per kWh.¹ A review of KU's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 24.58 mills in October 2011 to a high of 29.80 mills in July 2011, with a six-month average of 28.21 mills.

¹ Case No. 2010-00492, An Examination of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 2008 through October 31, 2010 (Ky. PSC May 31, 2011).

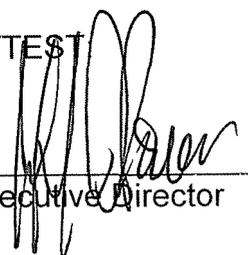
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of KU's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by KU through its FAC for the period May 1, 2011 through October 31, 2011 are approved.

By the Commission

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MAY 01 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST



Executive Director

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VP - State Regulation
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